Co-operative banks of North-Eastern Region

52. SHRI W. ANGOU SINGH: Will the Minister of FINANCE be pleased to state:

(a) the measures taken for revitalising weak Co-operative Banks of the country;

(b) whether there is any proposal for writing off those crop loans which are not likely to be recovered from the farmers due to the law and order problem in the North-Eastern States; and

(c) the measures taken for the North-Eastern Region's Co-operative Banks where they have not paid the crop loans in the State?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) The Government constituted a "Task Force to study the functioning of cooperative credit system and suggest measures for its strengthening" (known as Capoor Committee). The Task Force made wide ranging recommendations to strengthen the cooperative credit structure. The recommendations of the "Task Force" were discussed during the conference of Hon'ble Chief Ministers held on 25th August, 2001. To resolve the issue relating to revitalization assistance to cooperatives, a Joint Committee under the Chairmanship of the Union Minister of State for Finance was set up. The Committee has since submitted its Report to the Central Government which is being examined.

(b) and (c) There is no scheme under consideration of the Government for writing off crop loans availed by farmers in the North East States. However, considering the special problems being faced by banks operating in North-Eastern Region (NER), National Bank for Agriculture & Rural Development (NABARD) has been providing refinance assistance to cooperative banks and Regional Rural Banks (RRBs) without linking with the recovery performance of banks. Besides, the refinance for Seasonal Agricultural Operations (SAO) is extended at a concessional rate of interest at 5.5% per annum irrespective of their level of dependence on NABARD. These relaxations are intended to motivate the cooperative banks in the

NER to increase the flow of credit to their affiliated societies/ cultivators.

The revitalization measures suggested by the Task Force/Jóint Committee will be able to take care of cooperative credit Institutions in NER.

Broadening of Tax System

53. SHRI SATISH PRADHAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government are seriously considering to streamline the present tax system effectively; and

(b) if so, details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) Streamlining the tax system is an ongoing process, and such amendments to the Income-tax Act as are considered necessary in this regard are brought in every year through the Finance Bill. The further measures which may be taken this year will form part of the budget proposals.

Tax sops for Credit Card Transactions

54. SHRI SATISH PRADHAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news-item which appeared in 'Times of India', dated 10th January, 2002, under the heading "Tax sops for credit card transactions sought";

(b) if so, what is the Government's response thereto;

(c) whether Government are considering a proposal of India Co-operation Committee (ICC) to launch tax incentives on payment *via* credit cards like Korea Model;

(d) if so, details thereof; and